



General Assembly

Substitute Bill No. 5523

February Session, 2016

* HB05523 INS 031716 *

**AN ACT CONCERNING INSURANCE REQUIREMENTS FOR
TRANSPORTATION NETWORK COMPANIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2016*) (a) As used in this section:
- 2 (1) "Transportation network company" means a company, including
3 a corporation, a partnership, a trust, an association, a sole
4 proprietorship or a similar organization, that uses a digital network to
5 connect transportation network company riders with transportation
6 network company drivers who provide prearranged rides;
- 7 (2) "Transportation network company driver" or "driver" means an
8 individual who is not an employee of a transportation network
9 company and who (A) receives connections, in exchange for payment
10 of a fee to such company, to potential transportation network company
11 riders through the transportation network company's digital network,
12 and (B) uses a personal vehicle to offer or provide prearranged rides to
13 transportation network company riders upon connecting with such
14 riders through the transportation network company's digital network,
15 in exchange for compensation or a fee;
- 16 (3) "Transportation network company rider" or "rider" means an
17 individual who uses a digital network to connect with a transportation
18 network company driver to provide a prearranged ride to the rider

19 between points chosen by the rider;

20 (4) "Digital network" means any online-enabled technology
21 application service, Internet web site or system that is used by a
22 transportation network company and enables prearranged rides with
23 transportation network company drivers;

24 (5) "Prearranged ride" means the transport by a transportation
25 network company driver of a transportation network company rider
26 (A) beginning when the driver accepts, through the transportation
27 network company's digital network, the rider's request for a ride, (B)
28 continuing while the driver transports the rider, and (C) ending when
29 the last requesting rider departs from the driver's personal vehicle.
30 "Prearranged ride" does not include the transport of an individual,
31 which transport has not been arranged with a transportation network
32 company driver through the use of a transportation network
33 company's digital network; and

34 (6) "Personal vehicle" means a private passenger motor vehicle that
35 is (A) owned, leased or otherwise authorized for the provision of
36 prearranged rides by a transportation network company driver, and
37 (B) used by such driver to provide a prearranged ride.

38 (b) (1) Not later than July 1, 2016, a transportation network company
39 driver or a transportation network company on such driver's behalf
40 shall procure and maintain a motor vehicle insurance policy that
41 recognizes that the driver is a transportation network company driver
42 and provides coverage for such driver as follows:

43 (A) For the period during which the driver is logged on to the
44 transportation network company's digital network and is available to
45 receive requests for prearranged rides but is not engaged in the
46 provision of a prearranged ride: (i) Automobile liability insurance
47 coverage of at least (I) fifty thousand dollars for damages by reason of
48 bodily injury to, or the death of, any one person, (II) one hundred
49 thousand dollars for damages by reason of bodily injury or death per

50 accident, and (III) twenty-five thousand dollars for property damage;
51 and (ii) uninsured and underinsured motorist coverage in accordance
52 with the provisions of section 38a-336 of the general statutes; and

53 (B) For the period during which the driver is engaged in the
54 provision of a prearranged ride: (i) Automobile liability insurance
55 coverage of at least one million dollars for damages by reason of
56 bodily injury, death or property damage; and (ii) uninsured and
57 underinsured motorist coverage in accordance with the provisions of
58 section 38a-336 of the general statutes.

59 (2) (A) The coverage required under subdivision (1) of this
60 subsection may be satisfied by an automobile insurance policy
61 maintained by a transportation network company driver or the
62 transportation network company or a combination of both. Nothing in
63 this section shall be construed to (i) require an insurance company that
64 issues automobile insurance policies in this state to issue automobile
65 insurance policies that provide the coverage specified under
66 subdivision (1) of this subsection, or (ii) preclude an insurance
67 company from providing primary or excess coverage by contract or
68 endorsement for a transportation network company driver's personal
69 vehicle.

70 (B) If an automobile insurance policy maintained by a
71 transportation network company driver has lapsed or does not
72 provide the coverage required under subdivision (1) of this subsection,
73 the transportation network company's automobile insurance policy
74 shall provide such coverage, beginning with the first dollar of a claim,
75 and the insurance company issuing such policy shall have the duty to
76 defend a claim that arises while such driver is logged on to the
77 transportation network company's digital network to receive requests
78 for prearranged rides or is engaged in the provision of a prearranged
79 ride.

80 (C) Coverage under an automobile insurance policy maintained by
81 a transportation network company shall not be dependent on another

82 insurance company first denying a claim, nor shall such other
83 insurance company be required to first deny a claim.

84 (3) A transportation network company may procure the coverage
85 required under subdivision (1) of this subsection from (A) an insurance
86 company authorized to do business in this state, or (B) a surplus lines
87 insurer that has at least an A minus credit rating by A.M. Best or an A
88 or similar credit rating by another rating agency approved by the
89 Insurance Commissioner. Any such insurance company or surplus
90 lines insurer shall comply with the provisions of subsection (a) of
91 section 38a-318a of the general statutes.

92 (c) (1) A transportation network company driver shall carry proof of
93 insurance satisfying the coverage required under subdivision (1) of
94 subsection (b) of this section at all times during such driver's use of a
95 personal vehicle while logged on to a transportation network
96 company's digital network to receive requests for prearranged rides or
97 engaged in the provision of a prearranged ride. The transportation
98 network company shall ensure it provides such proof of insurance to
99 all of its drivers to whom such transportation network company is
100 providing such coverage.

101 (2) In the event of an accident, a transportation network company
102 driver shall provide such proof of insurance coverage to the directly
103 interested parties, insurance companies and investigating police
104 officers. A transportation network company driver shall disclose, upon
105 request, to directly interested parties, insurance companies and
106 investigating police officers whether such driver was logged on to the
107 transportation network company's digital network or was engaged in
108 the provision of a prearranged ride at the time of the accident.

109 (3) In any claims investigation, a transportation network company
110 shall immediately provide, upon request from a directly involved
111 party or the transportation network company driver's insurance
112 company, the precise times such driver was logged on and logged off
113 the transportation network company's digital network in the twelve-

114 hour periods immediately preceding and immediately following the
115 accident. An insurance company providing any coverage required
116 under subdivision (1) of subsection (b) of this section shall disclose,
117 upon request by any other insurance company providing any coverage
118 required under subdivision (1) of subsection (b) of this section, the
119 applicable coverages, exclusions and limits under the automobile
120 insurance policy issued to satisfy the coverage requirements under
121 said subdivision.

122 (4) For any claim covered under the collision or comprehensive
123 coverage of a transportation network company's motor vehicle
124 insurance policy, the insurance company shall make payment on such
125 claim directly to the business repairing the motor vehicle or jointly, if
126 applicable, to the owner of the motor vehicle and the primary
127 lienholder of such vehicle.

128 (d) Notwithstanding the provisions of sections 14-112, 38a-334, 38a-
129 335 and 38a-336 of the general statutes, an insurance company that
130 offers automobile insurance coverage in this state may offer
131 automobile insurance policies to individuals that exclude any or all
132 coverage afforded under such policies for any loss or injury that occurs
133 during the period an insured is logged on to a transportation network
134 company's digital network and available to receive requests for
135 prearranged rides or engaged in the provision of a prearranged ride.
136 Such exclusions may include, but are not limited to, (1) liability
137 coverage for bodily injury, death or property damage, (2) personal
138 injury protection coverage, (3) uninsured and underinsured motorist
139 coverage, (4) medical payments coverage, (5) collision physical
140 damage coverage, or (6) comprehensive physical damage coverage.
141 Nothing in this subsection shall be construed to require an insurance
142 company that clearly and conspicuously discloses such exclusions to
143 use any particular policy language or reference to this subsection to
144 exclude any or all coverage pursuant to this subsection.

145 (e) (1) An insurance company that excludes coverage pursuant to
146 subsection (d) of this section shall have no duty to defend or indemnify

147 any claim against a transportation network company driver for which
148 coverage is expressly excluded in such driver's automobile insurance
149 policy. If an insurance company defends or indemnifies a claim against
150 a transportation network company driver for which coverage is
151 expressly excluded in such driver's automobile insurance policy, the
152 insurance company shall have a right of subrogation against other
153 insurance companies that provide automobile insurance coverage to
154 such driver to satisfy the requirements of subdivision (1) of subsection
155 (b) of this section.

156 (2) Nothing in this section shall be construed to invalidate or limit
157 an exclusion contained in an automobile insurance policy, including
158 any such policy in use or approved for use in this state prior to July 1,
159 2016, that excludes coverage for vehicles used to transport property or
160 passengers for a fee or available for hire by the public.

161 (3) In the event of a claim against a transportation network company
162 driver in which there is disagreement between such driver's insurance
163 company and the transportation network company's insurance
164 company as to which insurance company has the duty to defend, the
165 insurance company issuing the transportation network company's
166 automobile insurance policy shall have the duty to defend such claim.

167 (f) Prior to initially permitting a transportation network company
168 driver to accept a rider request for a prearranged ride through the
169 transportation network company's digital network, a transportation
170 network company shall disclose, in writing, to such driver the
171 following:

172 (1) The insurance coverage, including the types of coverage and the
173 limits for each type of coverage, that the transportation network
174 company provides during the period such driver is using his or her
175 personal vehicle while logged on to the transportation network
176 company's digital network and available to receive requests for
177 prearranged rides or engaged in the provision of a prearranged ride;

178 (2) A statement that such driver's automobile insurance policy
179 might not provide coverage while such driver is logged on to the
180 transportation network company's digital network and available to
181 receive requests for prearranged rides or engaged in the provision of a
182 prearranged ride; and

183 (3) A statement that if such driver's personal vehicle has a lien on it,
184 the use of such vehicle for such purposes without physical damage
185 coverage may violate the terms of the contract with the lienholder.

186 Sec. 2. Section 13b-95 of the general statutes is repealed and the
187 following is substituted in lieu thereof (*Effective July 1, 2016*):

188 The term "taxicab" includes any motor vehicle operated upon any
189 street or highway or on call or demand accepting or soliciting
190 passengers indiscriminately for transportation for hire between such
191 points along streets or highways as may be directed by the passenger
192 or passengers being transported, provided nothing in this chapter shall
193 be construed to include, as a taxicab, a motor bus, as defined in section
194 14-1, [or] a motor vehicle in livery service when such motor vehicle is
195 hired for a specific trip or trips and is subject to the direction of the
196 person hiring the same, or a personal vehicle operated by a
197 transportation network company driver, as both terms are defined in
198 section 1 of this act.

199 Sec. 3. Section 13b-101 of the general statutes is repealed and the
200 following is substituted in lieu thereof (*Effective July 1, 2016*):

201 The term "motor vehicle in livery service" includes every motor
202 vehicle used by any person, association, limited liability company or
203 corporation which represents itself to be in the business of transporting
204 passengers for hire, except (1) any motor bus and any taxicab operated
205 under a certificate of public convenience and necessity issued by the
206 Department of Transportation, (2) any school bus, as defined in section
207 14-275, or student transportation vehicle, as defined in section 14-212,
208 when used for the transportation of children under the age of twenty-

209 one years, (3) any school bus, as defined in section 14-275, when used
 210 for the transportation of passengers (A) by virtue of a contract with
 211 any public or private institution of higher education, (B) pursuant to a
 212 contract for service to a special event held at a location or facility
 213 which is not open for business on a daily basis throughout the year,
 214 not to exceed a period of ten days, or (C) pursuant to a contract with a
 215 municipality for which the carrier provides school transportation
 216 service, (4) any motor vehicle operated by or through a community-
 217 based regional transportation system for the elderly established
 218 pursuant to section 55 of public act 05-280, [and] (5) any motor vehicle
 219 operated by or through a community-based regional transportation
 220 system for the visually impaired, and (6) any personal vehicle operated
 221 by a transportation network company driver, as both terms are defined
 222 in section 1 of this act.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2016</i>	New section
Sec. 2	<i>July 1, 2016</i>	13b-95
Sec. 3	<i>July 1, 2016</i>	13b-101

Statement of Legislative Commissioners:

In Section 1(a)(2)(B), "from such riders" was deleted for accuracy.

INS *Joint Favorable Subst. -LCO*